

HOUSING AUTHORITY OF MERRYVILLE**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA****TWELVE MONTHS ENDED DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

Mike Estes, P.C.
A Professional Accounting Corporation

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the

AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Merryville
Merryville, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of Merryville, Louisiana as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of Merryville, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Merryville, Louisiana, as of December 31, 2009, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010, on our consideration of the Housing Authority of Merryville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Housing Authority of Merryville, Louisiana. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Housing Authority of Merryville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying Financial Data Schedules required by HUD and other accompanying information identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike Estes, P.C.
Fort Worth, Texas
June 21, 2010

HOUSING AUTHORITY OF MERRYVILLE, LA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2009

Housing Authority of Merryville, LA
Management's Discussion and Analysis (MD&A)
December 31, 2009

The management of Public Housing Authority of Merryville, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending December 31, 2009. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$1,287,332 at the close of the fiscal year ended 2009.
 - ✓ Of this amount \$1,221,498 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ✓ The remainder of \$65,834 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 9% of the total operating expenses of \$703,314 for the fiscal year 2009, which means the Authority might be able to operate about 1 month using the unrestricted assets alone, which compares less favorably with 3 months in the prior fiscal year.
- The Housing Authority's total net assets decreased by \$86,094, a 6% change from the prior fiscal year 2009. This decrease is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The decrease in net assets was accompanied by a decrease in cash and cash equivalents of \$32,206. Rental, other and federal grants were exceeded by payments to vendors and employee net by \$25,901.
- The Authority spent \$64,565 on capital asset additions and \$59,366 on construction in progress during the current fiscal year.
- These changes led to a decrease in total assets by \$127,851 and a decrease in total liabilities by \$10,638. As related measure of financial health, there are still over \$2.96 of current assets covering each dollar of total current and long-term liabilities, which compares less favorably with \$4.46 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2009?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Low Rent Public Housing

Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Housing Authority of Merryville, LA
Management's Discussion and Analysis (MD&A)
December 31, 2009

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$1,287,332 as of December 31, 2009. Of this amount, \$1,221,498 was invested in capital assets, and the remaining \$65,834 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

CONDENSED FINANCIAL STATEMENTS

**Condensed Balance Sheet
(Excluding Interfund Transfers)
As of December 31, 2009**

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets	\$ 99,390	\$ 197,133
Capital assets, net of depreciation	<u>1,221,498</u>	<u>1,251,606</u>
Total assets	<u><u>1,320,888</u></u>	<u><u>1,448,739</u></u>
LIABILITIES		
Current liabilities	31,915	43,392
Non-current liabilities	<u>1,641</u>	<u>802</u>
Total liabilities	<u><u>33,556</u></u>	<u><u>44,194</u></u>
NET ASSETS		
Invested in capital assets, net of depreciation	1,221,498	1,251,606
Unrestricted net assets	<u>65,834</u>	<u>152,939</u>
Total net assets	<u><u>1,287,332</u></u>	<u><u>1,404,545</u></u>
Total liabilities and net assets	<u><u>1,320,888</u></u>	<u><u>1,448,739</u></u>

Housing Authority of Merryville, LA
Management's Discussion and Analysis (MD&A)
December 31, 2009

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds decreased by \$31,119, or by 2%, from those of fiscal year 2008, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

	2009	2008
OPERATING REVENUES		
Dwelling rental	\$ 111,673	\$ 105,238
Governmental operating grants	379,735	277,958
Other	8,166	8,927
Total Operating Revenues	499,574	392,123
OPERATING EXPENSES		
Administration	145,166	133,532
Tenant services	519	0
Utilities	40,604	41,455
Ordinary maintenance & operations	251,666	156,959
Protective services	45,295	47,542
General expenses	66,022	64,002
Depreciation	154,042	148,963
Total Operating Expenses	703,314	592,453
Income (loss) from Operations	(203,740)	(200,330)
Non Operating Revenues (Expenses)		
Interest earnings	315	1,358
Total Non-Operating Revenues (Expenses)	315	1,358
Income (loss) before contribution	(203,425)	(198,972)
Capital Contribution	117,331	8,512
Change in net assets	(86,094)	(190,460)
Total net assets - beginning - unadjusted	1,404,545	1,595,005
Prior period adjustments	(31,119)	0
Total Net assets - beginning adjusted	1,373,426	1,595,005
Total Net assets ending	\$ 1,287,332	1,404,545

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, non-operating revenues and capital contributions increased \$215,227, or by 54%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal revenues from HUD for operations increased by \$101,777, or by 37% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Federal Capital Funds from HUD increased by \$108,819 from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2007 through 2009, and submitted a new grant during fiscal year 2010.
- Total dwelling rental revenue increased by \$6,435, or by 6% from that of the prior fiscal year, and because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- Total other non-operating revenue decreased by \$761 from that of the prior fiscal year.
- Interest income decreased by \$1,043, or by 77% from that of the prior fiscal year, because the Authority spent available cash mostly on capital assets instead of temporary investments.

Compared with the prior fiscal year, total operating expenses increased \$110,861, or by 19%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Maintenance and repairs increased by \$94,707, or by 60% from that of the prior fiscal year, due to several major factors: Repair staff wages increased by \$9,469, or by 19%, and related employee benefit contributions increased by \$549, or by 4%. Also, materials used increased by \$81,640, and contract labor costs increased by \$3,049, or by 6%.
- Depreciation expense increased by \$5,079 from that of the prior fiscal year, because there was an increase in capital assets by \$123,931.
- General Expenses increased by \$2,020, or by 3% from that of the prior fiscal year, primarily because other general expenses increased by \$2,970.
- Administrative Expenses increased by \$11,634, or by 9% from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries increased by \$4,710, or by 7%, and related employee benefit contributions increased by \$303; therefore, total staff salaries and benefit costs increased by 5%. Finally, staff travel reimbursements increased by \$1,042, or by 6%, and sundry expenses increased by \$3,356, or by 60%; therefore, other staff administrative expense increased by 16%.
- Protective services decreased by \$2,247, or by 5% from that of the prior fiscal year. Staff salaries decreased by \$10,827, or by 23%. Contract labor increased by \$8,580.
- Utilities Expense decreased by \$852, or by 2% from that of the prior fiscal year.
- Other tenant services increased by \$519.

Housing Authority of Merryville, LA
Management's Discussion and Analysis (MD&A)
December 31, 2009

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2009, the Housing Authority had a total cost of \$4,315,988 invested in a broad range of assets and construction in progress from projects funded in 2007 through 2009, listed below. This amount, not including depreciation, represents increases of \$123,931 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
As of December 31, 2009**

	<u>2009</u>	<u>2008</u>
Land	\$ 40,466	\$ 40,466
Construction in progress	59,366	-
Buildings	1,029,349	1,160,789
Leasehold improvements	83,171	33,772
Furniture and equipment	<u>9,146</u>	<u>16,582</u>
Total	<u>1,221,498</u>	<u>1,251,609</u>

As of the end of the 2009 fiscal year, the Authority is still in the process of completing HUD grants of \$584,852 obtained during 2007 through 2009 fiscal years. A total remainder of \$252,207 will be received and \$250,038 will be spent for completing these projects during fiscal year 2010.

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2010 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Debra Doyle, at Public Housing Authority of Merryville, Louisiana; P.O. Box 527; Merryville, LA 70653.

**HOUSING AUTHORITY OF MERRYVILLE
BALANCE SHEET
DECEMBER 31, 2009**

ASSETS

Current assets

Cash and cash equivalents	\$ 40,393
Accounts receivable net	3,035
Interest receivable	19
Prepaid items and other assets	10,738
Inventory	36,463
Restricted assets – cash and cash equivalents	8,742

Total Current Assets	99,390
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Capital Assets, net

Land and other non-depreciated assets	99,832
Other capital assets - net of depreciation	1,121,666

Total Capital Assets, net	1,221,498
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Total Assets	\$ 1,320,888
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LIABILITIES

Current Liabilities

Accounts payable	\$ 11,301
Deferred revenue	1,246
Compensated absences payable	3,488
Accrued PILOT	7,138
Deposits due others	8,742

Total Current Liabilities	31,915
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Noncurrent Liabilities

Compensated absences payable	1,641
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Total Liabilities	33,556
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NET ASSETS

Invested in capital assets, net of related debt	1,221,498
Unrestricted	65,834

Net Assets	1,287,332
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Total Liabilities and Net Assets	\$ 1,320,888
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MERRYVILLE
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED DECEMBER 31, 2009

OPERATING REVENUES	
Dwelling rental	\$ 111,673
Governmental operating grants	379,735
Other	8,166
	<hr/>
Total Operating Revenues	499,574
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OPERATING EXPENSES	
Administration	145,166
Tenant services	519
Utilities	40,604
Ordinary maintenance & operations	251,666
Protective services	45,295
General expenses	66,022
Depreciation	154,042
	<hr/>
Total Operating Expenses	703,314
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Income (loss) from Operations	(203,740)
	<hr/>
Non Operating Revenues (Expenses)	
Interest earnings	315
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Total Non-Operating Revenues (Expenses)	315
	<hr/>
Income (loss) before contribution	(203,425)
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Capital Contribution	117,331
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Change in net assets	(86,094)
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Total net assets - beginning - unadjusted	1,404,545
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Prior period adjustments	(31,119)
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Total Net assets - beginning adjusted	1,373,426
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Total Net assets ending	\$ 1,287,332
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MERRYVILLE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM	
OPERATING ACTIVITIES	
Rental receipts	\$ 109,578
Other receipts	9,320
Federal grants	437,685
Payments to vendors	(375,894)
Payments to employees – net	(206,590)
	<hr/>
Net cash provided (used) by operating activities	(25,901)
	<hr/>
CASH FLOWS FROM CAPITAL AND	
RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(123,930)
Federal Capital Grants	117,331
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Net cash provided (used) by capital and related financing activities	(6,599)
	<hr/>
CASH FLOWS FROM INVESTING	
ACTIVITIES	
Interest income	294
	<hr/>
Net cash provided (used) by investing activities	294
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,206)
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	81,341
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CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 49,135
	<hr/>

Continued

HOUSING AUTHORITY OF MERRYVILLE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$ (203,740)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	154,042
Provision of uncollectible accounts	877
Prior period adjustments	(31,119)
Change in assets and liabilities:	
Receivables	2,058
Inventories	(1,533)
Prepaid items	308
Account payables	51,712
Accrued expenses	(704)
Deposits due others	2,198
Net cash provided (used) by operations	\$ (25,901)

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of Merryville have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the state of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of Merryville, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 1266	88
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the Town of Merryville since the Town of Merryville appoints a voting majority of the Housing Authority's governing board. The Town of Merryville is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Merryville. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Merryville.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the public housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

G. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

H. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$200. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

I. DEFERRED REVENUES The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

J. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

L. RESTRICTED NET ASSETS Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

M. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at December 31, 2009. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$8742 is restricted in the General Fund for security deposits.

At December 31, 2009, the Housing Authority's carrying amount of deposits was \$49,110 and the bank balance was \$55,563. Petty cash is composed of \$25. Of the bank balance, the entire amount was covered by FDIC insurance.

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at December 31, 2009, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 866
Federal sources:	
Grants	2,169
Total	<u>\$ 3,035</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$877.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 40,466	\$ 0	\$ 0	\$ 40,466
Construction in progress	0	59,366	0	59,366
Depreciable assets:				
Exhaustible capital assets				
Buildings	3,976,001	57,965	0	4,033,966
Furniture and equipment	198,218	6,600	22,628	182,190
Total	4,214,685	123,931	22,628	4,315,988
Less: accumulated depreciation				
Buildings	2,781,440	140,006	0	2,921,446
Furniture and equipment	181,636	14,036	22,628	173,044
Total	2,963,076	154,042	22,628	3,094,490
Capital assets, net	\$ 1,251,609	\$ (30,111)	\$ 0	\$ 1,221,498

NOTE 5 – ACCOUNTS PAYABLE The payables at December 31, 2009 are as follows:

Vendors	\$ 10,999
Payroll taxes & Retirement withheld	302
Total	\$ 11,301

NOTE 6 – COMPENSATED ABSENCES At December 31, 2009, employees of the Housing Authority have accumulated and vested \$5,129 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 7 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended December 31, 2009.

		Compensated Absences
Balance, beginning	\$	4,725
Additions		5,522
Deductions		(5,118)
Balance, ending		5,129
Amounts due in one year	\$	3,488

NOTE 8 – RETIREMENT SYSTEM The Housing Authority does not have a retirement plan.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments

Employment Agreement

On November 9, 2009, the Authority entered into an Employment Agreement with the Executive Director. The Agreement is for one year, and may be renewed annually, by Board approval. The Agreement may be terminated by the Executive Director upon thirty days written notice to the Board.

The Agreement may be terminated by the Authority at any time for cause. Due process is required. In addition, the Agreement may be terminated by the Authority without cause. If the Director is terminated without cause, the Authority must pay the Director a lump sum equal to the salary and benefits the Director would receive for the remainder of the annual term in effect, plus all accrued salary, other benefits, and reasonable authorized unreimbursed business expenses.

If the Executive Director separates from service for any reason, the Director is due all accrued, unused vacation time.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009

Construction Projects There are certain renovation or construction projects in progress at December 31, 2009. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, auto, bond, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that it s own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$497,066 to the Housing Authority, which represents approximately 80% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS Beginning equity was adjusted for \$31,119, to correct for prior year accounting errors. The change in net assets for the prior year December 31, 2008 is revised from (\$190,460) to (\$221,579).

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CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Housing Authority of Merryville
Merryville, Louisiana

We have audited the basic financial statements of the Housing Authority of Merryville, Louisiana, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of Merryville, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Merryville, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Merryville, Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of Merryville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.
Fort Worth, Texas
June 21, 2010

HOUSING AUTHORITY OF MERRYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2009

Section I – Summary of the Auditor's Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards* to the financial statements.

HOUSING AUTHORITY OF MERRYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2009

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF MERRYVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2009

The person who had been Executive Director for several years resigned, effective March 31, 2009. The Authority hired her replacement in February. She started working then, but did not become Executive Director until April 1.

The following prior audit findings were significant deficiencies, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

All Programs

08-01 – Insufficient Quality Control Review

Condition

Documented quality control checks on significant aspects of the waiting list and Low Rent tenant rent calculations were insufficient.

Recommendation

Quality control checks need to be timely done and documented. During the prior audit, we discussed the documentation method with the new Executive Director and the office assistant.

Current Status

The situation has been corrected. This finding is not repeated.

Low Rent

08-02 Utility Allowance Review Not Done

Condition

The Authority did not perform a utility allowance review during the year ended December 31, 2008.

Recommendation

The Authority should hire a consultant to perform a utility survey, and propose revised utility allowance, if necessary.

Current Status

A utility allowance survey was performed in 2009. This finding is not repeated.

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF MERRYVILLE
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
ANNUAL CONTRIBUTION CONTRACT**

YEAR ENDED DECEMBER 31, 2009

	2006 Capital Fund
Funds approved	\$ 136,302
Funds expended	<u>136,302</u>
Excess of funds approved	<u>\$ 0</u>
Funds advanced	\$ 136,302
Funds expended	<u>136,302</u>
Excess of funds advanced	<u><u>\$ 0</u></u>

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated June 4, 2010 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountants' report

HOUSING AUTHORITY OF MERRYVILLE
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED DECEMBER 31, 2009

	CASH BASIS			2009
	2007 Capital Fund	2008 Capital Fund	2009 Capital Fund	Capital Fund Recovery Grant
Funds approved	\$ 136,613	\$ 137,886	\$ 135,817	\$ 174,536
Funds expended	91,108	81,478	1,232	160,997
Excess of funds approved	<u>\$ 45,505</u>	<u>\$ 56,408</u>	<u>\$ 134,585</u>	<u>\$ 13,539</u>
Funds advanced	\$ 90,854	\$ 80,027	767	160,997
Funds expended	91,108	81,478	1,232	160,997
Excess (deficiency) of funds	<u>\$ (254)</u>	<u>\$ (1,451)</u>	<u>\$ (465)</u>	<u>0</u>

See accountants' report

HOUSING AUTHORITY OF MERRYVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
	<u> </u>	<u> </u>
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 235,907
Public Housing Capital Fund	14.872	100,162
American Recovery and Reinvestment Act	14.885	160,997
		<u> </u>
Total United States Department of Housing and Urban Development		\$ 497,066
		<u> </u>
Total Expenditures of Federal Awards		\$ 497,066
		<u> </u>

HOUSING AUTHORITY OF MERRYVILLE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2009

NOTE 1 – GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of Merryville, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Federal Sources</u>
General	\$ 497,066
Total	\$ <u>497,066</u>

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

		Project Total	14.895 Formula Capital Fund	Subtotal	Total
111 Cash - Unrestricted		\$40,393	\$0	\$40,393	\$40,393
112 Cash - Restricted - Modernization and Development		\$0	\$0	\$0	\$0
113 Cash - Other Restricted		\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits		\$8,742	\$0	\$8,742	\$8,742
115 Cash - Restricted for Payment of Current Liabilities		\$0	\$0	\$0	\$0
100 Total Cash		\$49,135	\$0	\$49,135	\$49,135
121 Accounts Receivable - PHA Projects		\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects		\$2,169	\$0	\$2,169	\$2,169
124 Accounts Receivable - Other Government		\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous		\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants		\$1,743	\$0	\$1,743	\$1,743
126.1 Allowance for Doubtful Accounts - Tenants		-\$877	\$0	-\$877	-\$877
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0	\$0	\$0	\$0
128 Fraud Recovery		\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0	\$0	\$0	\$0
129 Accrued Interest Receivable		\$19	\$0	\$19	\$19
120 Total Receivables, Net of Allowances for Doubtful Accounts		\$3,054	\$0	\$3,054	\$3,054
131 Investments - Unrestricted		\$0	\$0	\$0	\$0
132 Investments - Restricted		\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability		\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets		\$10,738	\$0	\$10,738	\$10,738
143 Inventories		\$36,463	\$0	\$36,463	\$36,463
143.1 Allowance for Obsolete Inventories		\$0	\$0	\$0	\$0
144 Inter Program Due From		\$0	\$0	\$0	\$0
145 Assets Held for Sale		\$0	\$0	\$0	\$0
150 Total Current Assets		\$99,390	\$0	\$99,390	\$99,390
161 Land		\$40,466	\$0	\$40,466	\$40,466
162 Buildings		\$3,759,639	\$0	\$3,759,639	\$3,759,639
163 Furniture, Equipment & Machinery - Dwellings		\$57,261	\$0	\$57,261	\$57,261
164 Furniture, Equipment & Machinery - Administration		\$124,931	\$0	\$124,931	\$124,931
165 Leasehold Improvements		\$274,326	\$0	\$274,326	\$274,326
166 Accumulated Depreciation		-\$3,094,491	\$0	-\$3,094,491	-\$3,094,491
167 Construction in Progress		\$59,366	\$0	\$59,366	\$59,366
168 Infrastructure		\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation		\$1,221,498	\$0	\$1,221,498	\$1,221,498
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current		\$0	\$0	\$0	\$0
174 Other Assets		\$0	\$0	\$0	\$0
176 Investments in Joint Ventures		\$0	\$0	\$0	\$0
180 Total Non-Current Assets		\$1,221,498	\$0	\$1,221,498	\$1,221,498
190 Total Assets		\$1,320,888	\$0	\$1,320,888	\$1,320,888

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2009

		Project Total	14.885 Formula Capital Fund	Subtotal	Total
311	Bank Overdraft	\$0	\$0	\$0	\$0
312	Accounts Payable <= 90 Days	\$10,999	\$0	\$10,999	\$10,999
313	Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0
321	Accrued Wage/Payroll Taxes Payable	\$302	\$0	\$302	\$302
322	Accrued Compensated Absences - Current Portion	\$3,488	\$0	\$3,488	\$3,488
324	Accrued Contingency Liability	\$0	\$0	\$0	\$0
325	Accrued Interest Payable	\$0	\$0	\$0	\$0
331	Accounts Payable - HUD PHA Programs		\$0	\$0	\$0
332	Account Payable - PHA Projects	\$0	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$7,138	\$0	\$7,138	\$7,138
341	Tenant Security Deposits	\$8,742	\$0	\$8,742	\$8,742
342	Deferred Revenues	\$1,246	\$0	\$1,246	\$1,246
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds		\$0	\$0	\$0
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0
347	Inter Program - Due To	\$0	\$0	\$0	\$0
348	Loan Liability - Current		\$0	\$0	\$0
310	Total Current Liabilities	\$31,915	\$0	\$31,915	\$31,915
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$0	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0	\$0	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$1,641	\$0	\$1,641	\$1,641
355	Loan Liability - Non Current		\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$1,641	\$0	\$1,641	\$1,641
300	Total Liabilities	\$33,556	\$0	\$33,556	\$33,556
508.1	Invested in Capital Assets, Net of Related Debt	\$1,221,498	\$0	\$1,221,498	\$1,221,498
509.2	Fund Balance Reserved				
511.2	Unreserved, Designated Fund Balance				
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$65,834	\$0	\$65,834	\$65,834
512.2	Unreserved, Undesignated Fund Balance				
513	Total Equity/Net Assets	\$1,287,332	\$0	\$1,287,332	\$1,287,332
600	Total Liabilities and Equity/Net Assets	\$1,320,888	\$0	\$1,320,888	\$1,320,888

HOUSING AUTHORITY OF MERRYVILLE FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

		Project Total	14.885 Formula Capital Fund	Subtotal	Total
70300 Net Tenant Rental Revenue		\$111,873	\$0	\$111,873	\$111,873
70400 Tenant Revenue - Other		\$5,816	\$0	\$5,816	\$5,816
70500 Total Tenant Revenue		\$117,489	\$0	\$117,489	\$117,489
70800 HUD PHA Operating Grants		\$328,084	\$51,851	\$379,735	\$379,735
70610 Capital Grants		\$7,985	\$108,346	\$117,331	\$117,331
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted		\$315	\$0	\$315	\$315
71200 Mortgage Interest Income		\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets		\$0	\$0	\$0	\$0
71400 Fraud Recovery		\$0	\$0	\$0	\$0
71500 Other Revenue		\$2,350	\$0	\$2,350	\$2,350
71600 Gain or Loss on Sale of Capital Assets		\$0	\$0	\$0	\$0
72000 Investment Income - Restricted		\$0	\$0	\$0	\$0
70000 Total Revenue		\$456,223	\$160,997	\$617,220	\$617,220
91100 Administrative Salaries		\$74,969	\$0	\$74,969	\$74,969
91200 Auditing Fees		\$9,140	\$0	\$9,140	\$9,140
91300 Management Fee		\$0	\$0	\$0	\$0
91310 Book-keeping Fee		\$0	\$0	\$0	\$0
91400 Advertising and Marketing		\$385	\$0	\$385	\$385
91500 Employee Benefit Contributions - Administrative		\$21,549	\$0	\$21,549	\$21,549
91600 Office Expenses		\$18,450	\$0	\$18,450	\$18,450
91700 Legal Expense		\$0	\$0	\$0	\$0
91800 Travel		\$11,714	\$0	\$11,714	\$11,714
91810 Allocated Overhead		\$0	\$0	\$0	\$0
91900 Other		\$8,959	\$0	\$8,959	\$8,959
91000 Total Operating - Administrative		\$145,166	\$0	\$145,166	\$145,166
92000 Asset Management Fee		\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries		\$0	\$0	\$0	\$0
92200 Relocation Costs		\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services		\$0	\$0	\$0	\$0
92400 Tenant Services - Other		\$519	\$0	\$519	\$519
92500 Total Tenant Services		\$519	\$0	\$519	\$519
93100 Water		\$14,196	\$0	\$14,196	\$14,196
93200 Electricity		\$6,476	\$0	\$6,476	\$6,476
93300 Gas		\$242	\$0	\$242	\$242
93400 Fuel		\$0	\$0	\$0	\$0
93500 Labor		\$0	\$0	\$0	\$0
93600 Sewer		\$0	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities		\$17,690	\$0	\$17,690	\$17,690
93800 Other Utilities Expense		\$0	\$0	\$0	\$0
93000 Total Utilities		\$40,604	\$0	\$40,604	\$40,604

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

		Project Total	14,885 Formula Capital Fund	Subtotal	Total
94100	Ordinary Maintenance and Operations - Labor	\$60,026	\$0	\$60,026	\$60,026
94200	Ordinary Maintenance and Operations - Materials and Other	\$72,488	\$51,651	\$124,139	\$124,139
94300	Ordinary Maintenance and Operations Contracts	\$51,644		\$51,644	\$51,644
94500	Employee Benefit Contributions - Ordinary Maintenance	\$15,856	\$0	\$15,856	\$15,856
94000	Total Maintenance	\$200,014	\$51,651	\$251,665	\$251,665
95100	Protective Services - Labor	\$36,715	\$0	\$36,715	\$36,715
95200	Protective Services - Other Contract Costs	\$8,580	\$0	\$8,580	\$8,580
95300	Protective Services - Other	\$0	\$0	\$0	\$0
95500	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000	Total Protective Services	\$45,295	\$0	\$45,295	\$45,295
96110	Property Insurance	\$25,413	\$0	\$25,413	\$25,413
96120	Liability Insurance	\$4,810	\$0	\$4,810	\$4,810
96130	Workmen's Compensation	\$15,139	\$0	\$15,139	\$15,139
96140	All Other Insurance	\$2,970	\$0	\$2,970	\$2,970
96100	Total Insurance Premiums	\$48,332	\$0	\$48,332	\$48,332
96200	Other General Expenses	\$0	\$0	\$0	\$0
96210	Compensated Absences	\$5,522	\$0	\$5,522	\$5,522
96300	Payments in Lieu of Taxes	\$7,137	\$0	\$7,137	\$7,137
96400	Bad debt - Tenant Rents	\$5,031	\$0	\$5,031	\$5,031
96500	Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600	Bad debt - Other	\$0	\$0	\$0	\$0
96800	Severance Expense	\$0	\$0	\$0	\$0
96000	Total Other General Expenses	\$17,690	\$0	\$17,690	\$17,690
96710	Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0
96720	Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730	Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$497,620	\$51,651	\$549,271	\$549,271
97000	Excess of Operating Revenue over Operating Expenses	-\$41,397	\$109,346	\$67,949	\$67,949

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

		Project Total	14,885 Formula Capital Fund	Subtotal	Total
97100	Extraordinary Maintenance	\$0	\$0	\$0	\$0
97200	Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300	Housing Assistance Payments	\$0	\$0	\$0	\$0
97350	HAP Portability-In	\$0	\$0	\$0	\$0
97400	Depreciation Expense	\$154,042	\$0	\$154,042	\$154,042
97500	Fraud Losses	\$0	\$0	\$0	\$0
97600	Capital Outlays - Governmental Funds				
97700	Debt Principal Payment - Governmental Funds				
97800	Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000	Total Expenses	\$651,662	\$51,651	\$703,313	\$703,313
10010	Operating Transfer In *	\$21,269	\$0	\$21,269	\$21,269
10020	Operating transfer Out	-\$21,269	\$0	-\$21,269	-\$21,269
10030	Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040	Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050	Proceeds from Notes, Loans and Bonds				
10060	Proceeds from Property Sales				
10070	Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080	Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091	Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0
10092	Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0
10093	Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094	Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$195,439	\$109,346	-\$86,093	-\$86,093
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$1,404,545	\$0	\$1,404,545	\$1,404,545
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$78,226	-\$109,346	-\$31,120	-\$31,120
11050	Changes in Compensated Absence Balance				
11060	Changes in Contingent Liability Balance				
11070	Changes in Unrecognized Pension Transition Liability				
11080	Changes in Special Term/Severance Benefits Liability				
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100	Changes in Allowance for Doubtful Accounts - Other				
11170	Administrative Fee Equity				
11180	Housing Assistance Payments Equity				
11190	Unit Months Available	1032	0	1032	1032
11210	Number of Unit Months Leased	906	0	906	906
11270	Excess Cash	-\$15,285		-\$15,285	-\$15,285
11610	Land Purchases	\$0	\$0	\$0	\$0
11620	Building Purchases	\$0	\$0	\$0	\$0
11630	Furniture & Equipment - Dwelling Purchases				
11640	Furniture & Equipment - Administrative Purchases	\$6,600		\$6,600	\$6,600
11650	Leasehold Improvements Purchases	\$7,985		\$7,985	\$7,985
11660	Infrastructure Purchases	\$0		\$0	\$0
13510	CFFP Debt Service Payments	\$0		\$0	\$0
13901	Replacement Housing Factor Funds	\$0		\$0	\$0

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

		Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue		\$111,673	\$0	\$111,673
70400 Tenant Revenue - Other		\$5,816	\$0	\$5,816
70500 Total Tenant Revenue		\$117,489	\$0	\$117,489
70600 HUD PHA Operating Grants		\$235,807	\$82,177	\$328,084
70610 Capital Grants		\$0	\$7,985	\$7,985
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants		\$0	\$0	\$0
71100 Investment Income - Unrestricted		\$315	\$0	\$315
71200 Mortgage Interest Income		\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0	\$0
71310 Cost of Sale of Assets		\$0	\$0	\$0
71400 Fraud Recovery		\$0	\$0	\$0
71500 Other Revenue		\$2,350	\$0	\$2,350
71600 Gain or Loss on Sale of Capital Assets		\$0	\$0	\$0
72000 Investment Income - Restricted		\$0	\$0	\$0
70000 Total Revenue		\$358,061	\$100,162	\$458,223
91100 Administrative Salaries		\$74,969	\$0	\$74,969
91200 Auditing Fees		\$1,140	\$8,000	\$9,140
91300 Management Fee		\$0	\$0	\$0
91310 Book-keeping Fee		\$0	\$0	\$0
91400 Advertising and Marketing		\$365	\$0	\$365
91500 Employee Benefit Contributions - Administrative		\$21,549	\$0	\$21,549
91600 Office Expenses		\$18,450	\$0	\$18,450
91700 Legal Expense		\$0	\$0	\$0
91800 Travel		\$11,714	\$0	\$11,714
91810 Allocated Overhead		\$0	\$0	\$0
91900 Other		\$8,959	\$0	\$8,959
91000 Total Operating - Administrative		\$137,188	\$8,000	\$145,188
92000 Asset Management Fee		\$0	\$0	\$0
92100 Tenant Services - Salaries		\$0	\$0	\$0
92200 Relocation Costs		\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services		\$0	\$0	\$0
92400 Tenant Services - Other		\$519	\$0	\$519
92500 Total Tenant Services		\$519	\$0	\$519
93100 Water		\$14,186	\$0	\$14,186
93200 Electricity		\$8,478	\$0	\$8,478
93300 Gas		\$242	\$0	\$242
93400 Fuel		\$0	\$0	\$0
93500 Labor		\$0	\$0	\$0
93600 Sewer		\$17,690	\$0	\$17,690
93700 Employee Benefit Contributions - Utilities		\$0	\$0	\$0
93800 Other Utilities Expense		\$0	\$0	\$0

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

			Low Rent	Capital Fund	Total Project
94100	Ordinary Maintenance and Operations - Labor		\$55,946	\$4,080	\$60,026
94200	Ordinary Maintenance and Operations - Materials and Other		\$22,884	\$49,604	\$72,488
94300	Ordinary Maintenance and Operations Contracts		\$42,420	\$9,224	\$51,644
94500	Employee Benefit Contributions - Ordinary Maintenance		\$15,856	\$0	\$15,856
94000	Total Maintenance		\$137,106	\$62,908	\$200,014
95100	Protective Services - Labor		\$36,715	\$0	\$36,715
95200	Protective Services - Other Contract Costs		\$8,580	\$0	\$8,580
95300	Protective Services - Other		\$0	\$0	\$0
95500	Employee Benefit Contributions - Protective Services		\$0	\$0	\$0
95000	Total Protective Services		\$45,295	\$0	\$45,295
96110	Property Insurance		\$25,413	\$0	\$25,413
96120	Liability Insurance		\$4,810	\$0	\$4,810
96130	Workmen's Compensation		\$15,139	\$0	\$15,139
96140	All Other Insurance		\$2,970	\$0	\$2,970
96100	Total Insurance Premiums		\$48,332	\$0	\$48,332
96200	Other General Expenses		\$0	\$0	\$0
96210	Compensated Absences		\$5,522	\$0	\$5,522
96300	Payments in Lieu of Taxes		\$7,137	\$0	\$7,137
96400	Bad debt - Tenant Rents		\$5,031	\$0	\$5,031
96500	Bad debt - Mortgages		\$0	\$0	\$0
96600	Bad debt - Other		\$0	\$0	\$0
96800	Severance Expense		\$0	\$0	\$0
96000	Total Other General Expenses		\$17,690	\$0	\$17,690
96710	Interest of Mortgage (or Bonds) Payable		\$0	\$0	\$0
96720	Interest on Notes Payable (Short and Long Term)		\$0	\$0	\$0
96730	Amortization of Bond Issue Costs		\$0	\$0	\$0
96700	Total Interest Expense and Amortization Cost		\$0	\$0	\$0
96900	Total Operating Expenses		\$426,712	\$70,908	\$497,620
97000	Excess of Operating Revenue over Operating Expenses		-\$70,651	\$29,254	-\$41,397

HOUSING AUTHORITY OF MERRYVILLE
FINANCIAL DATA SCHEDULE

YEAR ENDED DECEMBER 31, 2009

		Low Rent	Capital Fund	Total Project
97200 Casualty Losses - Non-capitalized		\$0	\$0	\$0
97300 Housing Assistance Payments		\$0	\$0	\$0
97350 HAP Portability-In		\$0	\$0	\$0
97400 Depreciation Expense		\$151,339	\$2,703	\$154,042
97500 Fraud Losses		\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense		\$0	\$0	\$0
90000 Total Expenses		\$578,051	\$73,611	\$651,662
10010 Operating Transfer In				
10020 Operating transfer Out		\$21,269	\$0	\$21,269
10030 Operating Transfers from/to Primary Government		\$0	-\$21,269	-\$21,269
10040 Operating Transfers from/to Component Unit		\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss		\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)		\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In		\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out		\$0	\$0	\$0
10093 Transfers between Program and Project - In		\$0	\$0	\$0
10094 Transfers between Project and Program - Out		\$0	\$0	\$0
10100 Total Other financing Sources (Uses)		\$21,269	-\$21,269	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		-\$200,721	\$5,282	-\$195,439
11020 Required Annual Debt Principal Payments		\$0	\$0	\$0
11030 Beginning Equity		\$1,314,342	\$90,203	\$1,404,545
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$78,226	\$0	\$78,226
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available		1032		1032
11210 Number of Unit Months Leased		908		908
11270 Excess Cash		-\$15,285		-\$15,285
11610 Land Purchases		\$0	\$0	\$0
11620 Building Purchases		\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases		\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases		\$6,600	\$0	\$6,600
11650 Leasehold Improvements Purchases		\$0	\$7,985	\$7,985
11660 Infrastructure Purchases		\$0	\$0	\$0
13510 CFFP Debt Service Payments		\$0	\$0	\$0
13901 Replacement Housing Factor Funds		\$0	\$0	\$0



Sudha Rawal/LLA
06/24/2010 12:59 PM

To Gina Guzzardo/LLA@LLA
cc
bcc
Subject Benny Tate's cell number - 985-981-2046

I was told by Dept of Agriculture that this is the best way to contact him. Could you add that to tracker for him.

Thanks.
Sudha